

This Opinion is Not a
Precedent of the TTAB

Mailed: July 27, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board
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In re LuxAGE Group, Inc.
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Serial No. 90726664
—

Inez M. Markovich and Irene M. Hurtado of McCarter & English, LLP,
for LuxAGE Group, Inc.

Gretta Yao, Trademark Examining Attorney, Law Office 118,
Michael Baird, Managing Attorney.

—
Before Cataldo, Coggins and Elgin,
Administrative Trademark Judges.

Opinion by Cataldo, Administrative Trademark Judge:

Applicant, LuxAGE Group, Inc., seeks registration on the Principal Register of the proposed standard character mark GREY MARKET, identifying “Entertainment services, namely, production and distribution of shows and podcasts in the nature of a behind-the-scenes look at how an international distributor and retailer of high-end watches and jewelry operates,” in International Class 41.¹

¹ Application Serial No. 90726664 was filed on May 21, 2021, under Section 1(a) of the Trademark Act, 15 U.S.C. § 1051(a), based on Applicant’s allegation of April 27, 2021, as a date of first use anywhere and in commerce.

The Trademark Examining Attorney has refused registration of Applicant's proposed mark under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), on the ground that the proposed mark is merely descriptive of the services identified in the application.

When the Examining Attorney made the refusal final, Applicant appealed and requested reconsideration, which was denied. Applicant and the Examining Attorney have filed briefs.² We affirm the refusal to register.

I. Applicant's Proposed Amendment to Supplemental Register

Before considering the merits of the appeal, we address a procedural matter. Near the end of its appeal brief,³ Applicant states: "In the alternative, Applicant requests that the Board allow Applicant to amend the Application to seek registration on the Supplemental Register."

Trademark Rule 2.142(g), 37 C.F.R. § 2.142(g), provides that once an application has been considered and decided by the Board on appeal, an application may not be "reopened," that is, an applicant may not amend its application, or submit additional evidence, at this stage, except in two very limited situations not at issue in this appeal. Accordingly, Applicant's alternative request is denied. *See In re Phillips-Van Heusen Corp.*, 63 USPQ2d 1047 n.2 (TTAB 2002) (request in applicant's brief that if

² Citations in this opinion to the briefs refer to TTABVUE, the Board's online docketing system. *Turdin v. Tribolite, Ltd.*, 109 USPQ2d 1473, 1476 n.6 (TTAB 2014). Specifically, the number preceding TTABVUE corresponds to the docket entry number, and any numbers following TTABVUE refer to the page number(s) of the docket entry where the cited materials appear. Applicant's brief and reply brief appear at 6 TTABVUE and 9 TTABVUE, respectively. The Examining Attorney's brief appears at 8 TTABVUE.

³ 6 TTABVUE 15.

the refusals are maintained the application be amended to the Supplemental Register denied because application which has been decided on appeal will not be reopened); *In re Taverniti, SARL*, 225 USPQ 1263, 1264 n.3 (TTAB 1985) (same); *see also* TRADEMARK TRIAL AND APPEAL BOARD MANUAL OF PROCEDURE (TBMP) § 1218 (June 2023) and authorities cited therein.⁴

II. Issue on Appeal

The sole issue on appeal is whether the proposed GREY MARKET mark merely describes a function, feature or characteristic of the identified services under Section 2(e)(1) of the Trademark Act.⁵

III. Analysis of Refusal

Section 2(e)(1) of the Trademark Act prohibits registration on the Principal Register of “a mark which, (1) when used on or in connection with the goods [or services] of the applicant is merely descriptive . . . of them.”

“A mark is ‘merely descriptive’ within the meaning of Section 2(e)(1) ‘if it immediately conveys information concerning a feature, quality, or characteristic of the goods or services for which registration is sought.’” *In re Omniome, Inc.*, 2020 USPQ2d 3222, *3 (TTAB 2020) (quoting *In re N.C. Lottery*, 866 F.3d 1363, 123

⁴ In her April 14, 2022 final Office action at 3, the Examining Attorney advised Applicant that it may seek to amend the involved application to the Supplemental Register. However, in its October 14, 2022 Request for Reconsideration, Applicant did not seek to amend its application to the Supplemental Register. Nor did Applicant otherwise seek registration on the Supplemental Register or under Trademark Act Section 2(f), 15 U.S.C. § 1052(f), during prosecution.

⁵ As noted above, the issues of whether Applicant’s proposed mark has acquired distinctiveness under Trademark Act Section 2(f) or is capable of registration on the Supplemental Register are not before us.

USPQ2d 1707, 1709 (Fed. Cir. 2017)). To be merely descriptive, a mark must forthwith convey such information with a “degree of particularity.” *Goodyear Tire & Rubber Co. v. Cont’l Gen. Tire, Inc.*, 70 USPQ2d 1067, 1069 (TTAB 2008) (citing *In re TMS Corp. of the Ams.*, 200 USPQ 57, 59 (TTAB 1978) and *In re Entenmann’s, Inc.*, 15 USPQ2d 1750, 1751 (TTAB 1990), *aff’d*, 90-1495 (Fed. Cir. Feb. 13, 1991)). “A mark need not recite each feature of the relevant goods or services in detail to be descriptive, it need only describe a single feature or attribute.” *Omniome*, 2020 USPQ2d 3222 at *3 (quoting *In re Chamber of Com. of the U.S.*, 675 F.3d 1297, 102 USPQ2d 1217, 1219 (Fed. Cir. 2012)).

The descriptiveness of a mark must be determined by the goods or services identified in the application. *See Octocom Sys. Inc. v. Hous. Comput. Servs. Inc.*, 918 F.2d 937, 16 USPQ2d 1783, 1787-88 (Fed. Cir. 1990); *In re Vehicle Identification Network, Inc.*, 32 USPQ2d 1542 (TTAB 1994). Whether a mark is merely descriptive is “evaluated ‘in relation to the particular goods [or services] for which registration is sought, the context in which it is being used, and the possible significance that the term would have to the average purchaser of the goods [or services] because of the manner of its use or intended use,’” *Chamber of Com.*, 102 USPQ2d at 1219 (quoting *In re Bayer AG*, 488 F.3d 960, 82 USPQ2d 1828, 1831 (Fed. Cir. 2007)), and “not in the abstract or on the basis of guesswork.” *In re Fat Boys Water Sports LLC*, 118 USPQ2d 1511, 1513 (TTAB 2016) (citing *In re Abcor Dev. Corp.*, 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978)).

We ask “whether someone who knows what the goods and services are will understand the mark to convey information about them.” *Real Foods Pty Ltd. v. Frito-Lay N. Am., Inc.*, 906 F.3d 965, 128 USPQ2d 1370, 1374 (Fed. Cir. 2018) (quoting *DuoProSS Meditech Corp. v. Inviro Med. Devices, Ltd.*, 695 F.3d 1247, 103 USPQ2d 1753, 1757 (Fed. Cir. 2012) (internal quotation omitted)). A mark is suggestive rather than merely descriptive if it requires imagination, thought, and perception on the part of someone who knows what the goods or services are to reach a conclusion about their nature from the mark. *See, e.g., Fat Boys*, 118 USPQ2d at 1515.

Applicant’s proposed mark consists of the term GREY MARKET. “Evidence of the public’s understanding of [a] term . . . may be obtained from any competent source, such as purchaser testimony, consumer surveys, listings in dictionaries, trade journals, newspapers and other publications.” *Real Foods*, 128 USPQ2d at 1374 (quoting *Royal Crown Co. v. Coca-Cola Co.*, 892 F.3d 1358, 127 USPQ2d 1041, 1046 (Fed. Cir. 2018)). “These sources may include [w]ebsites, publications and use ‘in labels, packages, or in advertising material directed to the goods.’” *N.C. Lottery*, 123 USPQ2d at 1710 (quoting *Abcor Dev.*, 200 USPQ at 218).

“It is the Examining Attorney’s burden to show, prima facie, that a mark is merely descriptive of an applicant’s goods or services.” *Fat Boys*, 118 USPQ2d at 1513 (citing *In re Gyulay*, 820 F.2d 1216, 3 USPQ2d 1009, 1010 (Fed. Cir. 1987)). “If such a showing is made, the burden of rebuttal shifts to the applicant.” *Id.* (citing *In re Pacer Tech.*, 338 F.3d 1348, 67 USPQ2d 1629, 1632 (Fed. Cir. 2003)).

IV. Arguments and Evidence

In support of the refusal of registration, Applicant and the Examining Attorney introduced into the record dictionary definitions reflecting the common usage of the term “grey market.”

- Grey market, alternative form, gray market – (business) the buying and selling of goods through distribution channels other than those authorized or intended by the manufacturer or producer;⁶
- Gray market – a market employing irregular but not illegal methods especially : a market that legally circumvents authorized channels of distribution to sell goods at prices lower than those intended by the manufacturer.⁷

Based upon these definitions, GREY MARKET⁸ may be defined as a market for legally buying and selling goods through channels outside the usual authorized channels of distribution for those goods.

The Examining Attorney also relies upon the website pages comprising Applicant’s specimen of use, displayed below.

⁶ February 3, 2022 first Office action at 4 (Wiktionary.com).

⁷ March 18, 2022 response to first Office action at 11-19 (Merriam-Webster.com).

⁸ On this record, there is no difference in meaning between the different spellings of the term GREY and GRAY.

GREY MARKET #1: Buying, Trading & Selling Watches at IWJG Miami Watch Show

109,641 views • Premiered Apr 27, 2021

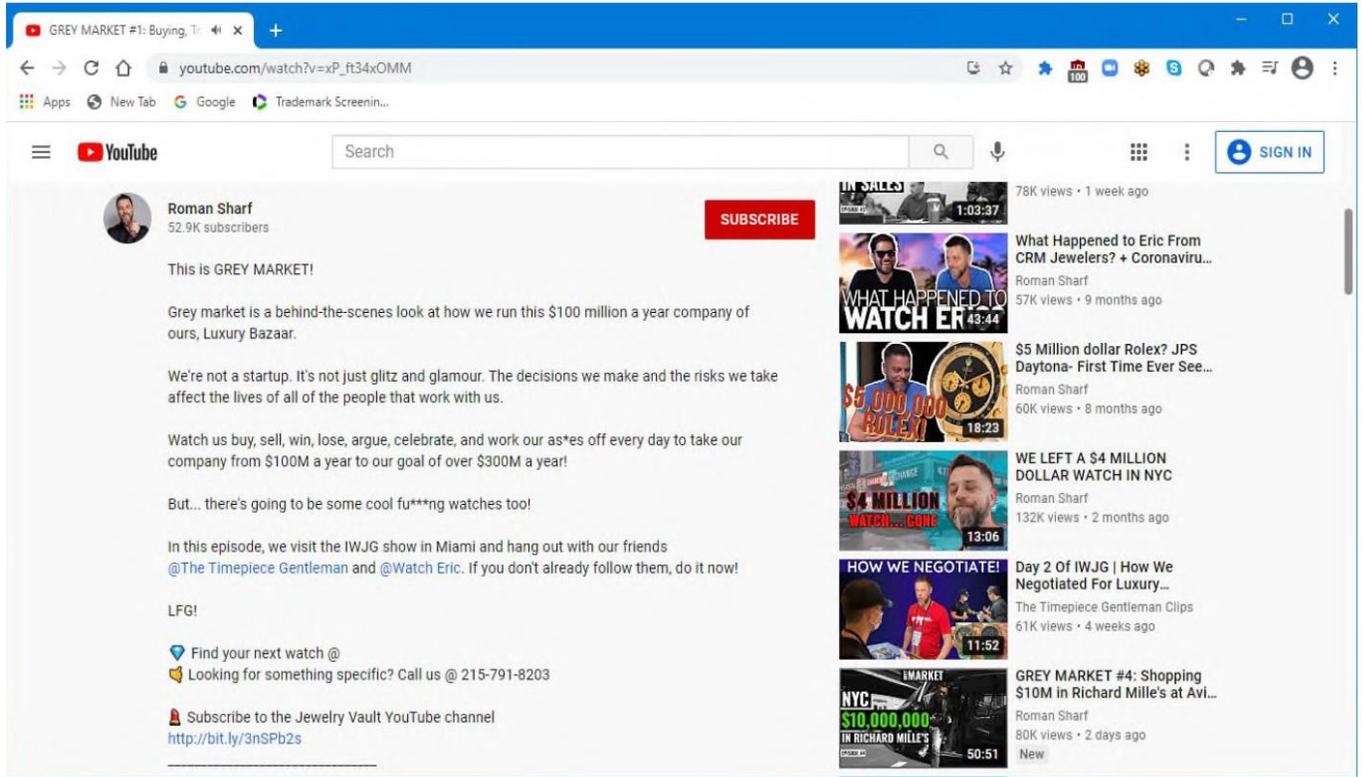
3.5K 48 SHARE SAVE ...

ROMAN SHARF

MIAMI

SHOW CHAT REPLAY

- GREY MARKET #2: Hustled to Sell \$650K Worth of Watches... Roman Sharf 129K views • 2 weeks ago 40:06
- Mix - Roman Sharf YouTube
- Buying, Trading & Selling Luxury Watches at a Hong... Roman Sharf 57K views • 1 year ago 30:01
- Week #15: I Finally Bought A Richard Mille & IWJG Miami... The Timepiece Gentleman 267K views • 1 month ago 1:48:40
- GREY MARKET #3: The Customers, The Sales, The... Roman Sharf 78K views • 1 week ago

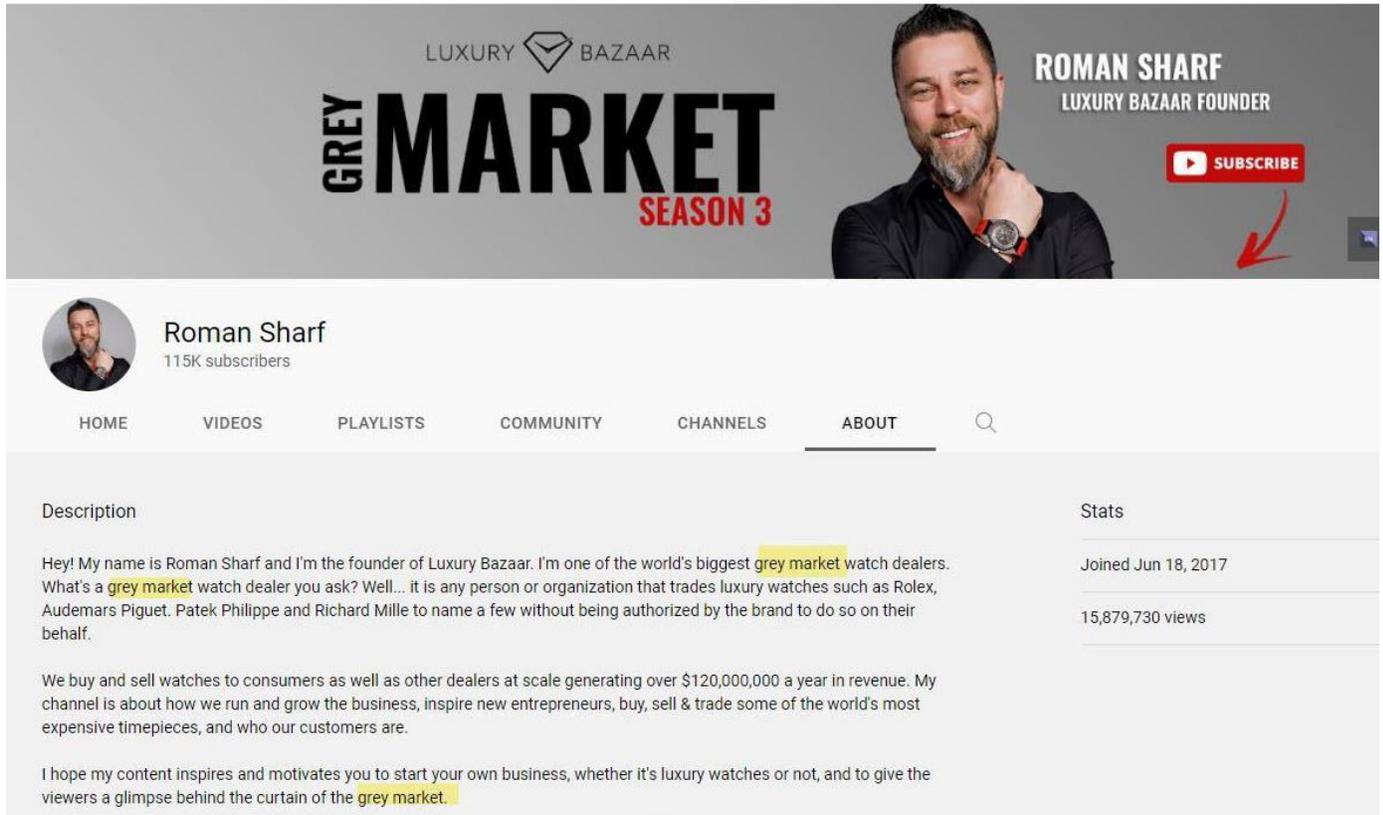


The Examining Attorney asserts:⁹

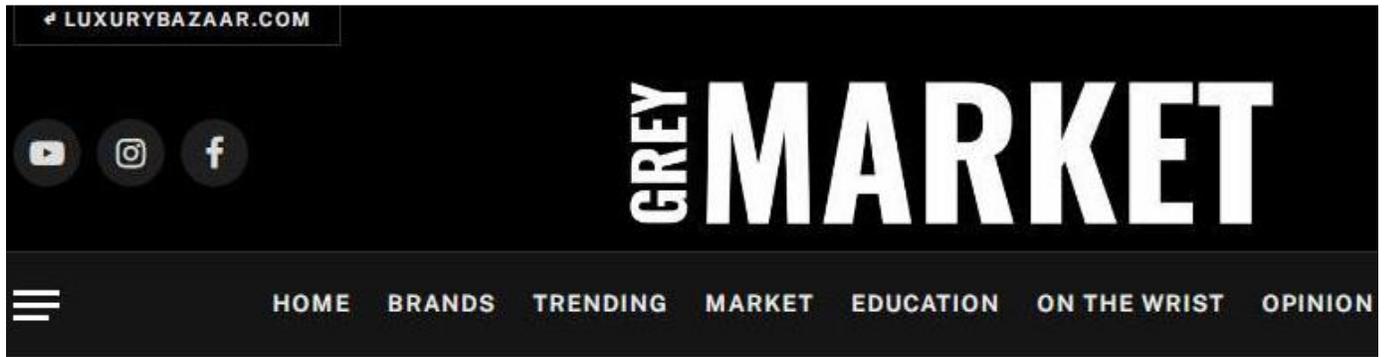
The term “grey market,” in relation to Applicant’s services, has a direct meaning to the consumer. As this promotional language makes clear, the subject matter of Applicant’s videos and podcasts is not only the operation of a watch and jewelry store (of which there are many), but mostly about how to operate such a store profitably using “GREY MARKET” techniques.

⁹ 8 TTABVUE 4.

The Examining Attorney further relies upon screenshots from Applicant's YouTube site and website, displayed below, each of which indicates that Applicant operates as a grey market watch dealer.¹⁰



¹⁰ April 14, 2021 final Office action at 5; November 4, 2022 denial of Applicant's request for reconsideration at 6.



Home » Grey Market Watches: What Is A Grey Market Dealer & Why Should You Buy From One?

BUYING GUIDE

Grey Market Watches: What Is A Grey Market Dealer & Why Should You Buy From One?

By Luxury Bazaar — May 23, 2018 — Updated: November 1, 2022 — No Comments — 9 Mins Read



A grey market dealer is a retail operation (whether online or brick-and-mortar) that sells goods outside of the official distribution network. Therefore, a grey market watch dealer is a business that buys timepieces from sources **other than** the watch brand manufacturer and sells them via its own retail operation that is not controlled by the watch brand.

Conversely, an authorized dealer (also known as ADs) buys directly from the watch brand (sometimes via an official distributor). An AD is contractually bound to follow the price lists, inventory management, marketing strategies, and sales channels set out by the brand. In short, the price to pay for direct access to new watches through the official channel is giving up sizable control of retail operations.

Serial No. 90726664

The Examining Attorney further introduced articles from two third-party websites discussing grey markets and, particularly, the grey market for watches (i.e., one of the subjects of Applicant's services and same focus demonstrated by Applicant's specimen and website).¹¹



WATCH GUIDE by watchshopping

[Home](#) > [Watch Guide](#) > [Grey Market: What Is It Exactly?](#)

Grey Market: What Is It Exactly?

 Nauman Rashid | Updated: May 24, 2022 



You must have heard someone advising you to buy grey market watches. The first question that arises is, what is grey market anyway? To the unacquainted, a place where the goods or products are traded outside of the original manufacturers authorized distribution channel is called the Grey Market. These goods are neither illegal nor counterfeit. The goods are usually sold at a much lower price than the price they're sold at by the authorized sales market. This market allows trading to take place on suspended stocks or before official trading in the white market starts.

One of the biggest stocks that are traded around in the Grey Market comprises of watches. Over the years, this industry has bloomed into a multibillion-dollar one. This allows consumers to get their hands on products such as a diamond-studded Rolex at a price that's almost \$10,000 cheaper than the original price.

11/3/2022

<https://www.watchshopping.com/watch-guide/what-is-grey-market/>

¹¹ November 4, 2022 denial of Applicant's request for reconsideration at 7-9.

Why Does the Grey Market Exist?



Once a retailer has excess inventory, he could make a proposal to the Grey Market dealers, with heavy, daunted prices. Before the invention of the Internet, this market existed in major cities and storefronts. These transactions at that time had almost little to no effect on the authorized retail market, other than that you wouldn't even know you were purchasing something from the Grey Market.

But now, times are different, and the Internet has a big impact on the transactions of these watches. The Internet has given an opportunity to these Grey Market dealers to make a prominent presence. More timepieces make their way from the Swiss dominated official retail industry to the Grey Market where they're sold with surprising discounts. Although the sound of discounted luxury watches would be like music to the consumers' ears, these high discounts damage the careful fabrication of the prestige this luxurious industry holds and makes it much harder to sell products at their original price of retail.

Why Should You Buy From a Grey Market Dealer?

Demand for Luxury watches like Rolex and Patek Philippe has increased multi-fold in the last few years. In case you plan to purchase one of them, this article will be of great help

By John Stanly

December 28, 2021

Opinions expressed by Entrepreneur contributors are their own.

You're reading Entrepreneur Asia Pacific, an international franchise of Entrepreneur Media.

If you are one of those who like to own a high-end watch, you know the struggle is real. There is no easy way to get a hold of the latest watches from an authorized dealer. However, the demand for [Luxury watches](#) like Rolex and Patek Philippe has increased multi-fold in the last few years. In case you plan to purchase one of them, this article will be of great help.

<https://www.watchshopping.com/watch-guide/what-is-grey-market/>

Applicant argues the term GREY MARKET “has a dual meaning that results in a commercial impression which transcends any arguably descriptive connection to the subject services. Although the term ‘grey market’ can relate to the sale of goods outside of typical distribution chains, as applied to Applicant’s Services, the term refers to a place of business that straddles the ‘gray’ line between work and fun.”¹² In support of this argument, Applicant introduced the declaration of its President, Roman Sharf, reproduced in part below, which explains, inter alia, that Applicant

¹² 6 TTABVUE 8.

operates in the grey market and that the subject of its shows therefore necessarily involve the grey market.¹³

4. Applicant is an internationally recognized dealer and retailer in luxury watches and jewelry. As part of its business, Applicant buys and sells brand new and pre-owned watches through “grey market” channels, including watch shows in all parts of the world, as well as from and to individual watch collectors.

5. On April 27, 2021, Luxury Bazaar launched “Grey Market”, a YouTube reality series that takes a “behind the scenes” look at Applicant’s day-to-day activities (“Grey Market” or the “Series”).

6. Each episode of the Series focuses in a humorous fashion on a different aspect of Applicant’s operations, such as the preparation for a trade show, training of new sales staff, or the challenges of growing an already successful company.

7. The purpose of the Series is entertainment, and the Applicant seeks the registration of the Applicant’s Mark in connection with “Entertainment services, namely, production and distribution of shows and podcasts in the nature of a behind-the-scenes look at how an international distributor and retailer of high-end watches and jewelry operates,” in Class 41 (“Applicant’s Services”).

Applicant further submitted the declaration of its counsel, Inez M. Markovich, introducing, inter alia, copies of third-party registrations and pages from the registrants’ corresponding websites in support of its position that “the Register is replete with examples of registered trademarks covering entertainment services and

¹³ October 14, 2022 Request for Reconsideration at 19.

series or shows that include a term that relates to ... some aspect of the story or issues covered by the series or show.”¹⁴ These include the following registrations, all in standard characters and identifying entertainment and educational services rendered via a global computer network, television and multimedia services:

- Reg. No. 6234590 for the mark UNDERCOVER CHEF (CHEF disclaimed);
- Reg. No. 6089040 for the mark CITY VS BURBS;
- Reg. No. 3021915 for the mark MEDIUM;
- Reg. No. 5562108 for the mark LAKEFRONT BARGAIN HUNT RENOVATION (LAKEFRONT and RENOVATION disclaimed);
- Reg. No. 6267016 for the mark YOUR HONOR; and
- Reg. No. 4767509 for the mark STREETS OF SAN FRANCISCO (SAN FRANCISCO disclaimed).

The evidence of record demonstrates that Applicant and third parties use “grey market” to describe legally buying and selling goods, often at lower prices, outside of their normal authorized channels of distribution. Applicant’s services are shows and podcasts giving viewers a behind-the-scenes look at the operation of an international grey market distributor and retailer of high-end watches.

Applicant’s own descriptive use of GREY MARKET to refer to the subject matter of its shows and podcasts (“I’m one of the world’s biggest grey market watch dealers. What’s a grey market watch dealer, you ask? ... I hope my content inspires and

¹⁴ *Id.* at 14.

motivates you to start your own business, whether it's luxury watches or not, and to give the viewers a glimpse behind the curtain of the grey market.”¹⁵ is strong evidence that Applicant's mark is descriptive of Applicant's services. *In re Mecca Grade Growers, LLC*, 125 USPQ2d at 1958-59 (applicant's website and marketing materials found probative of how the relevant public perceives term). The third-party descriptive uses of GREY MARKET in line with the subject matter of Applicant's shows and podcasts are further support that upon encountering Applicant's mark, prospective consumers would immediately understand GREY MARKET as descriptive of a feature or characteristic of Applicant's services, namely, part of the subject of the shows and podcasts. *Abcor Dev. Corp.*, 200 USPQ at 218.

That a term may have other meanings in different contexts is not controlling. *In re Bright-Crest, Ltd.*, 204 USPQ 591, 593 (TTAB 1979). “The question is not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is whether someone who knows what the goods or services are will understand the mark to convey information about them.” *In re Tower Tech Inc.*, 64 USPQ2d 1314, 1316-17 (TTAB 2002); *accord, In re Patent & Trademark Servs. Inc.*, 49 USPQ2d 1537, 1539 (TTAB 1998). The record in this case establishes that consumers familiar with Applicant's entertainment services will understand GREY MARKET to describe a feature thereof.

¹⁵ April 14, 2021 final Office action at 5; November 4, 2022 denial of Applicant's request for reconsideration at 6.

In support of its position that GREY MARKET is suggestive of its services, Applicant argues:¹⁶

While it is easy to think of “Applicant’s Services” as those provided by [Applicant], none of Applicant’s Services *covered by the Application* involve distribution or sale of goods. Instead, Applicant’s Services consist of entertainment services in the form of production and distribution of shows and podcasts that are essentially the equivalent of a reality show relating to Applicant’s business and the day-to-day operation of that business, including the antics and comradery of Applicant’s employees.

Nonetheless, the evidence discussed above supports a finding that GREY MARKET describes a feature of Applicant’s services, namely Applicant’s production and distribution of shows and podcasts relating to Applicant’s business as a grey market distributor and retailer of luxury watches. The subject matter of the shows and podcasts includes how the grey market for watches and jewelry operates. Contrary to Applicant’s arguments, GREY MARKET immediately conveys to consumers knowledge of the subject matter of Applicant’s services. We must consider the issue of mere descriptiveness from the perspective of the average prospective purchaser of Applicant’s services, and that includes the segment of the public that uses and understands the term GREY MARKET as referring generally to distribution of luxury watches outside normal distribution channels. *In re Omaha Nat’l Corp.*, 819 F.2d 1117, 2 USPQ2d 1859, 1861 (Fed. Cir. 1987) (explaining that descriptiveness must be analyzed with respect to all classes of prospective purchasers;

¹⁶ 6 TTABVUE 10-11 (emphasis supplied by Applicant).

“Descriptiveness is not determined by its meaning only to the class of regular customers with the largest head count.”).

Nor do Applicant’s third-party registrations compel a different result. To the extent that Applicant has relied upon a variety of third-party registrations and decisions in other cases to bolster its contention that its proposed mark is not merely descriptive, as is often noted by the Board and the Courts, each case must be decided on its own merits. *See In re Nett Designs Inc.*, 236 F.3d 1339, 57 USPQ2d 1564, 1566 (Fed. Cir. 2001); *see also In re Kent-Gamebore Corp.*, 59 USPQ2d 1373 (TTAB 2001); *In re Wilson*, 57 USPQ2d 1863 (TTAB 2001). We further note that none of the third-party registrations submitted by Applicant and listed above include any marks consisting in part or whole of the term GREY MARKET. Further, some of the registrations contain disclaimers in recognition of the descriptive wording in the marks.

We are not persuaded that GREY MARKET is a double entendre. Applicant argues:¹⁷

Although the term “grey market” can relate to the sale of goods outside of typical distribution chains, as applied to Applicant’s Services, the term refers to a place of business that straddles the “gray” line between work and fun. Applicant’s YouTube reality series depicts not only the day-to-day operations of Applicant’s business but, more importantly, it depicts the day-to-day antics of Applicant’s management and employees, their personalities, and their often humorous interactions with one another. From sky diving (Season 2, Episode 2) to a challenge in which Applicant’s President is challenged to eat a single tortilla chip made with hot chili peppers (Season 2, Episode 6), carefully and methodically plated and prepared by one of Applicant’s employees and served with a glass of milk, Applicant’s series showcases the “gray” aspects of a

¹⁷ 6 TTABVue 8-9.

workplace or market where the stars of the show have fun while working hard to continue to build Applicant's notoriety and business. These antics clearly have nothing to do with selling watches or other products. Applicant's Mark is a double entendre that suggests the dichotomy or "gray area" between work and play.

However, aside from Applicant's assertions, we find no evidence in the record that viewers of Applicant's shows and podcasts will perceive the purported dual meaning of GREY MARKET as conveying a second meaning of the "gray" area between work and fun. The multiple interpretations that make an expression a double entendre must be associations that the public would make fairly readily, and must be readily apparent from the mark itself. *See, e.g., In re Yarnell Ice Cream, LLC*, 2019 USPQ2d 265039, at *7-8 (TTAB 2019) (finding SCOOP for ice cream, which merely described the serving size of the goods, did not present a double entendre because the applicant made no showing that the interpretation of SCOOP in this context was that of a "news scoop"). Moreover, there simply is no evidence that consumers will view Applicant's mark GREY MARKET as having several connotations in connection with Applicant's services. *Cf. In re Colonial Stores Inc.*, 394 F.2d 549, 157 USPQ 382 (CCPA 1968) (SUGAR & SPICE a double entendre in relation to bakery products); *In re Tea and Sympathy, Inc.*, 88 USPQ2d 1062 (TTAB 2008) (THE FARMACY a double entendre in relation to retail store services featuring natural herbs and organic products and related health and information services relating to dietary supplements and nutrition).

Similarly, we find no incongruity in the term GREY MARKET. As discussed above, the term GREY MARKET in Applicant's mark, in keeping with the dictionary

definitions of record, immediately describes shows and podcasts on the subject of an international distributor and retailer of luxury watches operating legally outside normal distribution channels (i.e., in a “grey market”). Such a meaning presents no incongruity. *Cf., e.g., In re Shutts*, 217 USPQ 363, 364–5 (TTAB 1983) (SNO-RAKE incongruous in relation to snow removal hand tool).

V. Conclusion

Based on the record before us, we find that the proposed mark GREY MARKET is merely descriptive of a feature of Applicant’s identified “Entertainment services, namely, production and distribution of shows and podcasts in the nature of a behind-the-scenes look at how an international distributor and retailer of high-end watches and jewelry operates.”

Decision: The refusal to register Applicant’s proposed mark under Section 2(e)(1) of the Trademark Act is affirmed.